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STATE OF MICHIGAN



JOHN ENGLER, GOVERNOR

**DEPARTMENT OF TRANSPORTATION**

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JAMES R. DeSANA, DIRECTOR

September 25, 2000

The Hon. Philip E. Hoffman, Chair  
Senate Appropriation Subcommittee  
on Transportation  
P.O. Box 30036  
Lansing, MI 48909-7536

The Hon. Judith Scranton, Chair  
House Appropriations Subcommittee  
on Transportation  
P.O. Box 30014  
Lansing, MI 48909-7514

Dear Senator Hoffman and Representative Scranton:

Public Act 136 of 1999 enrolled Senate Bill No. 372 Sec. 602 states:

The legislature encourages the department to work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on material, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2000, to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

In response to this, the department has worked in partnership with the bituminous and concrete road construction industries to develop warranty specifications. The following is a summary of the number of projects that include warranties. These existing warranties are referred to as *materials and workmanship* warranties. The contractor is responsible for only those things under his control, namely the materials used and the workmanship.

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A. Pavement Reconstruction (5 Year Warranty)

Approximately ten (10) projects have been let since 1998. Projects are primarily on the freeway network.

As a step towards development of a performance warranty, two projects are being let this year that include an Extraordinary Pavement Performance Incentive Specification. This specification encourages the contractor with possible future incentive payments if the contractor delivers a new or reconstructed pavement that performs at an extraordinary level. Extraordinary performance is defined using the department's pavement management system data and is based on in-service pavements that are providing an exceptionally long design service life. If these pavements perform at an exceptional level (as defined in the specification), MDOT will pay the contractor an incentive after the five year warranty period. The incentive is based on what annualized cost savings MDOT will realize because the pavement is performing at a maintenance-free level. The key to this specification is that it rewards the contractor for providing a high quality product only if the pavement is really performing, in the future, at an extraordinary level.

B. Pavement Rehabilitation Projects (5 Year Warranty)

Approximately 35 asphalt and concrete resurfacing projects have been let since 1998. Projects are primarily on the urban, high-traffic-volume system, including freeways and divided highways.

C. Capital Preventative Maintenance (CPM) Program (2-3 Year Warranties)

Approximately 300 projects have been let since 1997.

Capital preventative maintenance are short-term pavement treatments that extend pavement life. These treatments are used on pavements that are still in good or fair condition. The program includes pavement treatments such as thin bituminous overlays, surface seals, crack sealing, concrete joint resealing, diamond grinding, and concrete pavement patching. These warranties are true performance warranties.

D. Bridge Painting (2 Year Warranty)

In the late 1980's MDOT began letting a limited number of bridge painting projects with warranties under the Federal Highway Administration's Experimental Program. When

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federal policy was changed to allow warranties in the mid 1990's, MDOT began using warranties on all bridge painting projects and this is now required.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. DeSana". The signature is fluid and cursive, with the first name "James" being the most prominent.

James R. DeSana

Director

BOHTS:C&T:PL:kb

cc Gary S. Olson, Director  
Senate Fiscal Agency

Mitchell Bean, Director  
House Fiscal Agency

D. Novak

G. Rosine

✓ W. Niles

E. Timpf